

Agenda Item 3.A

MINUTES*
SAN DIEGO CONVENTION CENTER CORPORATION
THE BOARD OF DIRECTORS

BOARD MEETING OF OCTOBER 26, 2022
Via Teleconference

BOARD MEMBERS PRESENT: Chair Carol Kim and Directors Carlos Cota, Jeff Gattas, Will Rodriguez-Kennedy and Elvin Lai
BOARD MEMBER(S) ABSENT: Directors Shawn VanDiver and Jaymie Bradford

STAFF PRESENT: Rip Rippetoe, Mardeen Mattix, Corey Albright, Andy Mikschl and Pat Evans (Recorder)

ALSO PRESENT: Jennifer Lyon, General Counsel; Kavin Schieferdecker, SDTA Chief Sales Officer, Peter George and Miyuki Freeman and George, Audit Representatives from Macias & Gini O'Connell, LLP

*Audio copies of Board of Director meetings are available upon request. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com to request a copy.

1. Call to Order

Chair Carol Kim called the Board Meeting to order at 12:04 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101.

Chair Kim then called roll to determine which Directors were present on the teleconference:

Director Kim – Present
Director Cota – Present
Director Gattas – Present
Director VanDiver - Absent
Director Bradford – Absent
Director Rodriguez-Kennedy – Present
Director Lai – Present

All Directors were recorded as present except Directors VanDiver and Bradford. Chair Kim noted that all votes taken during this meeting would be recorded via roll call vote.

2. **Non-Agenda Public Comment** –Chair Kim inquired if any member of the public wished to comment on any non-Agenda items. No members of the public responded to the request for comment.

3. **Board Committee Reports and Board Action Items:**

Consent Agenda:

Chair Kim inquired if any Director would like to pull a Consent Agenda item for discussion. Hearing no request to pull a Consent Agenda item, Chair Kim then inquired if any member of the public wished to comment on Agenda Items (3.A) or (3.B). No members of the public responded to the request for comment.

A. **Approval of Minutes of Board Meetings of September 28, 2022, and “Special” Board Meeting of October 21, 2022**

Directors Lai and Cota moved and seconded, respectively, to approve the Consent Agenda as set forth hereinabove.

- Director Kim – Aye**
- Director Cota – Aye**
- Director Gattas – Aye**
- Director VanDiver – Absent**
- Director Bradford – Absent**
- Director Rodriguez-Kennedy – Aye**
- Director Lai – Aye**

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

Action Item(s):

B. **Budget Committee (Jeff Gattas)**

Chair Kim inquired if any member of the public wished to comment on Agenda Item (3.B.1). No members of the public responded to the request for comment.

(1) **Authorize Contract for Electrical Panel Repair Project**

Directors Gattas and Rodriguez-Kennedy moved and seconded, respectively, to Award a contract to Chula Vista Electric for corrective electrical repairs at a cost of \$654,775.92 with an additional 5% contingency of \$32,738.80 for a total not-to-exceed cost of \$687,514.72.

- Director Kim – Aye**
- Director Cota – Aye**
- Director Gattas – Aye**
- Director VanDiver – Absent**
- Director Bradford – Absent**
- Director Rodriguez-Kennedy – Aye**

Director Lai – Aye

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

Chair Kim inquired if any member of the public wished to comment on Agenda Item (3.B.2). No members of the public responded to the request for comment.

(2) Ratification of Soffit Repairs and Authorization To Contract for Soffit Removal

Directors Lai and Cota moved and seconded, respectively, to ratify the costs, \$69,980, of the interim repairs to the Hall “C” soffit performed by Built Pacific and to contract with the same firm for the removal of the soffits in Hall “A” and Hall “C” at a cost of \$247,000 for a total not-to-exceed contract value of \$400,000.

Director Kim – Aye

Director Cota – Aye

Director Gattas – Aye

Director VanDiver – Absent

Director Bradford – Absent

Director Rodriguez-Kennedy – Aye

Director Lai – Aye

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

During the presentations for Agenda Items 3.B.1 and 3.B.2, COO Corey Albright reported that both of the requested capital repairs were unbudgeted expenses and both repairs were urgently needed in order to preserve life safety of SDCCC employees. He also explained how the current condition of the electrical panels and the soffits (Hall “C” soffit, in particular) posed a threat to the ongoing safety of employees. After his presentations, Chair Kim requested that the record reflect her very serious concerns not only about the proliferation of unbudgeted capital repair items, but also about the lack of management oversight that contributed to some employees being subjected to an egregiously dangerous work environment. Based on the two instances cited herein, it is apparent that in the past, maintenance oversight was not a high priority. Chair Kim requested to know what steps would be taken by staff to correct the issues with maintenance oversight going forward. COO Albright reported that he was formulating a new staffing plan that would not only address past oversight issues but would also put in place new staff who would ensure employee safety was prioritized. COO Albright anticipates updating the entire Board on the new maintenance staffing plan at the upcoming Board Retreat in November. Chair Kim indicated she would continue to monitor the situation to ensure that proper maintenance protocols were enacted.

C. Audit Committee (Jaymie Bradford)

Chair Kim inquired if any member of the public wished to comment on Agenda Item (3.C.1). No members of the public responded to the request for comment.

(1) Authorize Acceptance of Audited Annual Financial Report for the Fiscal Year Ended June 30, 2022

Directors Lai and Rodriguez-Kennedy moved and seconded, respectively, to Authorize Acceptance of the Audited Financial Report for the Fiscal Year Ended June 30, 2022.

**Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Absent
Director Bradford – Absent
Director Rodriguez-Kennedy – Aye
Director Lai – Aye**

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

Chair Kim inquired if any member of the public wished to comment on Agenda Item (3.C.2). No members of the public responded to the request for comment.

(2) Authorize Addition of June 19th (“Juneteenth”) to Current SDCCC Employee Holidays

Directors Lai and Rodriguez-Kennedy moved and seconded, respectively, to Authorize the addition of June 19th (“Juneteenth”) to SDCCC employee holidays.

**Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Absent
Director Bradford – Absent
Director Rodriguez-Kennedy – Aye
Director Lai – Aye**

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

E. Sales & Marketing Committee (Carlos Cota): Director Cota noted how much he enjoyed working with the SDTA/SDCCC teams this year and that SDTA would be hosting its annual meeting at the Convention Center next week.

Ms. Coker provided an update regarding the lengthy visa wait times for foreign travelers. Currently, applicants wait approximately 400 days to obtain visas in some instances as opposed to waits of under 30 days in the past. Cal Travel and U.S. Travel are both working to get the visa processing wait times reduced. The lengthy periods to obtain visas are having

a negative impact on foreign medical show attendees. San Diego is currently outpacing both Los Angeles and San Francisco in terms of hotel occupancy and hosted events.

Mr. Mikschl reported four new event bookings for the month of September and reiterated the sales philosophy by which the sales team is being very selective with short term bookings in order to allow new sales opportunities and also to allow open calendar dates to perform maintenance projects. Mr. Mikschl highlighted how recently moving two events not only pleased both clients, but also enabled one client to increase their attendance and generate \$2 million in food and beverage revenues. The team is also aggressively pursuing more corporate events and to that end, Director Lai requested that a “corporate sales” category be added to the sales report. Mr. Mikschl also discussed how SDCCC and SDTA are aligning their technology to work on the booking calendar. They are examining bookings closely to breakdown the impact to SDCCC, the City, the center’s partners, etc.

Ms. Coker reported that there is a Midwest City Wide Sales position available. She also reported that there is a Convention Services position open with the site planning team.

The long-term team’s room night goal is 113% of goal for the first quarter. The SDTA team is evaluating a room night goal increase; however, the funnel needs to be ramped up with leads. The bulk of SDTA client bookings are taking place within 10 years whereas in years past, the team booked up to 25 years out.

Mr. Schieferdecker reported that the SDTA team is reaching out to new customers, and they have hired a revenue manager to evaluate events before they are booked. The manager is also determining space and date needs of current booked business to see if adjustments can be made to accommodate new clients.

4. President’s Report (Rip Rippetoe) – Mr. Rippetoe reported:

- Julia Slocombe, Senior V.P. of Smarty City Networks introduced Regional Director Ken Schmidt who will oversee Center operations.
- Preparation for the November 17th Board Retreat is ongoing.
- East building meeting room carpet installation will begin in late November.
- Mr. Rippetoe and Andy Mikschl will attend client meetings in Washington, D.C., and Chicago during the first week of December.
- Mr. Rippetoe will be hosting a “Lunch & Learn” program to familiarize and educate new hires and management staff about industry standards.
- Mr. Rippetoe will also start hosting CEO Coffees with each shift of staff.

5. Chair’s Report (Carol Kim)

- This year’s Board dinner will take place on Thursday, November 10, 2022, at 5:30 p.m. Further details will follow.
- The Board Retreat is scheduled for November 17, 2022, at 9:00 a.m. in Room 23. The retreat will end at approximately 4:30 p.m. All Directors are encouraged to attend.
- If anyone is interested in attending the SDTA 68th Annual Meeting here at the Center on November 3rd (1:00 – 5:00 p.m.), please let Pat know.
- The final Board meeting of the year is scheduled for December 14, 2022, at Noon.

6. **Board Comment [Govt. Code § 54954.2(a) (2)] – None**
7. **Urgent non-agenda items** (must meet the requirements of Government Code, Section 54954.2): **None**

There being no further business, the meeting adjourned at 1:15 p.m.

I, Jeff Gattas, Secretary of the Board of Directors of the San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Board of Directors of the San Diego Convention Center Corporation, Inc., at a duly noticed meeting held on October 26, 2022, and that said minutes were approved by the Board of Directors on December 14, 2022.

[Approved at the Board Meeting of December 14, 2022]
Jeff Gattas, Secretary